

**MINUTES**  
**State Allocation Board**  
**August 22, 2007**

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 112 of the State Capitol in Sacramento, California on August 22, 2007 at 4:00 p.m.

Members of the Board present were as follows:

- Anne Sheehan, Chief Deputy Director, Policy, Department of Finance, designated alternate for Michael Genest, Director, Department of Finance
- Will Semmes, Chief Deputy Director, Department of General Services, designated alternate for Will Bush, Director, Department of General Services
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education, designated representative for Jack O'Connell, Superintendent of Public Instruction
- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California
- Senator Bob Margett
- Senator Jack Scott
- Senator Joe Simitian
- Assembly Member Gene Mullin
- Assembly Member Kevin de León
- Assembly Member Martin Garrick

Representatives of the State Allocation Board (SAB) were as follows:

Rob Cook, Executive Officer  
Lori L. Morgan, Deputy Executive Officer  
Mavonne Garrity, Assistant Executive Officer

Representatives of the Department of General Services, Office of Public School Construction (OPSC), were as follows:

Rob Cook, Executive Officer  
Lori L. Morgan, Deputy Executive Officer

Representative of the Department of General Services, Office of Legal Services, was as follows:

Henry D. Nanjo, Senior Staff Counsel

With a quorum present, Anne Sheehan, Chair, called the meeting to order at 4:05 p.m.

**PRIOR MINUTES**

A motion was made and carried to approve the Minutes for the July 25, 2007 SAB meeting.

**RESOLUTION**

Assembly Member Gene Mullin, on behalf of the Board, presented Mr. Garry Ness, the SAB's former legal counsel, with a Resolution paying tribute to Mr. Ness' hard work, professionalism, and dedication for 30 years.

**EXECUTIVE OFFICER'S STATEMENT**

The Executive Officer informed the Board that the Office of Administrative Law approved the regulations that implement Senate Bill (SB) 1415 (Chapter 810, Statutes of 2006 – Scott) on August 2, 2007. The provisions contained in SB 1415 are related to the deposit of site sale proceeds into a school districts' general fund that can only be used for one-time expenditures and not on-going obligations. School districts that deposit site sale proceeds into their general fund cannot participate in State school facility funding programs for ten years.

The Executive Officer also informed the Board that the financial hardship study conducted by the Macias Consulting Firm should be completed by the end of August and a report of the results will be provided at the next available SAB meeting.

Additionally, the Board inquired about the Grant Adequacy study that is being conducted by the Macias Consulting Firm. The Executive Officer stated that the Macias Consulting Firm is developing the methodology, which is the framework within which the grants will be analyzed. Once this has been accomplished, the methodology will be brought forward to the Grant Adequacy Ad Hoc Committee and a broad array of interested parties for input.

**CONSENT ITEMS**

In considering this item, the Board approved the consent calendar as presented. However, Ms. Moore abstained from voting on the agenda items for the Elk Grove Unified School District but voted for all others.

**FINANCIAL REPORTS*****Status of Funds***

The Board accepted the Status of Funds report as presented.

**SPECIAL CONSENT ITEMS*****Victor Valley Union High/San Bernardino 50/67934-00-006***

In considering this item, the Board approved the staff's recommendation.

**SPECIALS/APPEALS*****Knightsen Elementary/Contra Costa 50/61705-00-003***

This item was withdrawn. However, the District has indicated interest in participating in the Grant Adequacy committee discussions.

**SPECIALS/APPEALS** (cont.)***School Facility Program Joint-Use Projects***

The Board expressed a concern regarding reduced square footage for minimum essential facilities. Mr. Fred Yeager, representing the CDE, addressed the Board by providing information concerning the reduced square footage for minimum essential facilities that was approved by the CDE for the Santee Elementary School District. It was stated that the educational objectives could still be met in the reduced square footage. The Board continued to discuss the issue of non-profit entities participating in the funding of Joint-Use projects and reiterated that staff was requested to amend and refine the regulations for purposes of encouraging greater participation for future Joint-Use funding cycles. The Board requested that the 11 projects presented for funding consideration be acted upon in three separate roll-call votes: 1) the two Kings Canyon Joint Unified School District projects; 2) the Roseland Elementary School District project; and 3) the eight Santee Elementary School District projects. The Chair requested the first roll-call vote and the motion, which was to approve the two Kings Canyon Joint Unified School District projects, carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett	X			
Senator Scott	X			
Senator Simitian	X			
Assembly Member Mullin	X			
Assembly Member de León	X			
Assembly Member Garrick	X			
Will Semmes	X			
Kathleen Moore	X			
Rosario Girard	X			
Anne Sheehan	X			
Total	10			

**Motion:**Carried   X  Failed       

The Chair requested the second roll-call vote and the motion, which was to approve the Roseland Elementary School District project, carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett			X	
Senator Scott			X	
Senator Simitian	X			
Assembly Member Mullin		X		
Assembly Member de León	X			
Assembly Member Garrick	X			
Will Semmes	X			
Kathleen Moore	X			
Rosario Girard	X			
Anne Sheehan	X			
Total	7	1	2	

**Motion:**Carried   X  Failed

**SPECIALS/APPEALS** (cont.)***School Facility Program Joint-Use Projects*** (cont.)

Mr. Allen Carlisle, president of the Board for the Santee Elementary School District, addressed the Board and conveyed that the District complied with the regulations and requested the Board's support for their Joint-Use funding.

The Chair requested the third roll-call vote and the motion, which was to approve the eight Santee Elementary School District projects, carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett	X			
Senator Scott			X	
Senator Simitian	X			
Assembly Member Mullin		X		
Assembly Member de León			X	
Assembly Member Garrick	X			
Will Semmes	X			
Kathleen Moore	X			
Rosario Girard	X			
Anne Sheehan	X			
Total	7	1	2	

**Motion:**Carried   X  Failed       

Lastly, the Board requested that staff come back with suggested regulatory language changes to the definition of "non-profit entities" and address changing the timelines so there is adequate time to process the joint-use applications for future funding cycles.

***Assembly Bill 127 Grant Increase – Project Information Worksheet***

Mr. Tom Duffy, representing the Coalition for Adequate School Housing (CASH), addressed the Board concerning two issues: 1) delay action for a month in order to refine the worksheet or approve the regulations without the worksheet; and 2) incorporate a "hold harmless" clause. The Board continued to discuss the Project Information Worksheet, the regulatory process, and the issue of bond accountability with respect to project costs and information. Some Board members emphasized the importance of starting to collect the data immediately, and that further modifications to the worksheet can be considered in the future, if needed. The Chair requested a roll-call vote and the motion, which was to delay action for 30 days, carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett	X			
Senator Scott	X			
Senator Simitian	X			
Assembly Member Mullin	X			
Assembly Member de León	X			
Assembly Member Garrick		X		
Will Semmes		X		
Kathleen Moore	X			
Rosario Girard		X		
Anne Sheehan		X		
Total	6	4		

**Motion:**Carried   X  Failed

**SPECIALS/APPEALS** (cont.)***Oakland Unified/Alameda 54/61259-13-001***

In considering this item, the Board approved the staff's recommendations.

***Manzanita Elementary/Butte 22/61499-00-001***

This item was withdrawn.

***Davis Joint Unified/Yolo 50/72678-00-06***

The following individuals addressed the Board in support of the Davis Joint Unified School District:

- Senator Mike Machado, representing the 5<sup>th</sup> Senate District
- Assembly Member Lois Wolk, representing the 8<sup>th</sup> Assembly District
- Ms. Helen Thompson, currently a Yolo County Supervisor
- Mr. Richard Whitmore, Interim Superintendent of the Davis Joint Unified School District
- Mr. Harold Freiman, representing the law firm of Lozano Smith

The Board expressed concerns regarding the District's eligibility and the Attorney General's opinion which indicated that a request for funding under Regulation Section 1859.70.2 requires the applicant district to demonstrate eligibility for new construction funding at the time the request for funding is submitted during the 120-day grandfathering period permitted by the regulation. Some Board members expressed concern regarding matters of equity and others expressed concern regarding setting a precedent. The Chair requested a roll-call vote and the motion, which was to approve the District's request for funding reimbursement, carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett	X			
Senator Scott		X		
Senator Simitian	X			
Assembly Member Mullin		X		
Assembly Member de León	X			
Assembly Member Garrick	X			
Will Semmes	X			
Kathleen Moore	X			
Rosario Girard	X			
Anne Sheehan		X		
Total	7	3		

**Motion:**

Carried   X  

Failed       

***Val Verde Unified/Riverside 50/75242-00-000***

This item was withdrawn.

***Val Verde Unified/Riverside 50/75242-00-025***

This item was withdrawn.

**REGULATIONS*****High Performance Incentive Grant Regulation Amendments***

The following individuals addressed the Board in support of the regulatory amendments:

- Mr. Tom Duffy, representing the CASH
- Mr. Charles Eley, Executive Director, Collaborative for High Performance Schools (CHPS)
- Mr. Ted Bardacke, representing Global Green USA

In considering this item, the Board approved the staff's recommendations. The Board requested that staff agendaize the High Performance Incentive Grant issue for the September SAB meeting if the regulations are not in effect by the September SAB meeting and to develop an alternate plan, if necessary.

***Seismic Mitigation Regulation Amendments***

Mr. Marc Winger, Superintendent of the Newhall School District, addressed the Board concerning retroactive reimbursement for "Category 2" vulnerable buildings that the District retrofitted due to Assembly Bill 300, Statutes of 1999. Mr. Tom Duffy, representing the CASH, addressed the Board concerning separate funding for the different work involved with the seismic projects (i.e., seismic funding for seismic work, modernization funding for ADA compliance, etc.) and the issue of interim housing. The Board indicated interest in maintaining consistency with normal program funding circumstances.

The Board held this item over to the September SAB meeting in order to further discuss the following issues at the SAB Implementation Committee meeting:

- Funding ancillary costs out of the modernization and new construction funds;
- Funding interim housing as an additional allowance;
- Allowing engineering studies to be funded;
- Reimbursement of projects that would have qualified but the building(s) have been mitigated prior to the effective date of Assembly Bill 127, Chapter 35, Statutes of 2006 (May 20, 2006).

**INFORMATION/REFERENCE*****Remaining SAB Meeting Dates for the Calendar Year 2007******School Facility Program Workload List - Applications Received Through August 3, 2007******Deferred Maintenance Program Unfunded List as of July 25, 2007******Facility Hardship/Rehabilitation Approvals Without Funding List as of July 25, 2007***

**CLOSED SESSION**

At 7:08 p.m. and in accordance with Section 11126(e)(1), the Board convened into two closed sessions for the purpose of conferring with and receiving advice from counsel regarding: 1) *Godinez v. Schwarzenegger, et al.*, and 2) *Val Verde Unified School District et al v. State of California et al.*

Upon conclusion of the closed sessions, the Board reconvened into open session at 7:11 p.m.

**ADJOURNMENT**

There being no further business to come before the Board, the Chair adjourned the meeting at 7:12 p.m.

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**ROB COOK, Executive Officer**